

IAC-D-57/33

9 May 1956

INTELLIGENCE ADVISORY COMMITTEE

Post-Mortem on NIE 100-3-56:

Sino-Soviet Policy and Its Probable Effects

in Underdeveloped Areas,

dated 24 April 1956

1. On 8 May 1956 the IAC noted the attached findings and approved the action set forth in section II.

2. The IAC agencies are therefore requested to take appropriate steps to comply.

William P. Bundy

WILLIAM P. BUNDY
Secretary

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I. Findings

1. Instead of rehearsing the gaps observed in preparation of this paper--which would in any case largely duplicate gaps previously reported from earlier estimates--it seems more helpful in this case to set forth the key problems which the agencies had to consider in preparing the estimate. This post-mortem thus takes the form of a program of action and portrays what the agencies are endeavoring to do in this field. In view of the already apparent magnitude and effects of the new Bloc tactics, an intensified intelligence effort in this field is indicated.

2. Listed below, therefore, are certain important problem areas, selected on the basis of their importance to the two principal estimative problems of NIE 100-3-56: (a) the motivation, qualitative and quantitative content, and duration of current Bloc tactics in the underdeveloped areas, and (b) the economic and political effects in the underdeveloped areas of Bloc tactics.

3. Key problems with respect to Bloc motivations, capabilities, and future courses of action are:

a. The extent to which Bloc economic tactics reflect:

- (1) Bloc economic requirements and
- (2) Bloc political considerations.

b. The probable level and pattern of Bloc trade with the underdeveloped areas over the next five years.

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4. Key problems with respect to the effects of Bloc tactics in underdeveloped areas are as follows:

- a. Effect of Bloc tactics on the morale, prestige, and attractiveness of local Communist parties.
- b. Bloc performance on trade arrangements and technical assistance programs.
- c. The vigilance of the underdeveloped countries with respect to activities of the local Communists; with respect to the dangers involved in current or future commitments to the Bloc.
- d. The likely degree of economic dependence on the Bloc and the willingness of local leaders to sacrifice economic gains if faced with compromising political demands.
- e. Long-term trends in world trade and demand and trends in the attractiveness of the Bloc as a market.
- f. The relative weight of economic and other factors determining political orientation.
- g. The economic requirements for development in the underdeveloped countries and likely contribution of Bloc trade to development.

II. Action

The appropriate IAC agencies are requested to take such action as they deem essential to increase the over-all intelligence effort devoted to the underdeveloped areas and Bloc efforts to influence them, with particular attention to the problems noted above.

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